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CIA's Deputy Director Inman Is Quitting In Apparent Flap Over Domestic Spying

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WASHINGTON—Bobby Inman is resigning as deputy director of the Central Intelligence Agency, a move that government sources believe was prompted by a dispute over plans for domestic intelligence activities.

The CIA yesterday sent congressional committees a message saying President Reagan "regretted" that Adm. Inman is resigning from the agency and retiring from the Navy. The message said Adm. Inman was quitting to "enter the private sector."

White House officials insisted that Adm. Inman, who is highly regarded in Congress and the U.S. intelligence community, had intended to quit after the Reagan administration had been in office about 18 months. But congressional aides and other officials say his departure seemed to be prompted by a disagreement with other administration officials over how to conduct counterintelligence operations in the U.S.

The sources said Adm. Inman objected to a new directive the White House approved on counterintelligence operations. He reportedly felt the new procedures allowed intelligence agencies to get too heavily involved in spying activities in the U.S. Also, sources said, he was miffed because the White House didn't allow him a greater voice in shaping the intelligence procedures.

Last year, Adm. Inman battled with White House officials over the wording of a broader executive order governing all intelligence activities, complaining that it would allow the CIA to conduct operations against U.S. citizens. The order was held up for months and eventually was modified to overcome most of his objections.

The departure of Adm. Inman is sure to create problems for the administration in Congress. Many influential lawmakers hold him in higher esteem than they do CIA Director William Casey, and they hoped Adm. Inman eventually would move to the CIA's top position.

Some of the congressional clamoring for Mr. Casey's resignation during a Senate investigation of his finances last year

stemmed from a desire for Adm. Inman to move up. Lawmakers have contended that they get a clearer picture of CIA activities from Adm. Inman than from Mr. Casey.

Administration aides said they hadn't yet begun to consider a replacement for Adm. Inman. He plans to remain in his post until a successor is named, probably early this summer, administration officials said.

Despite the congressional suspicions of a high-level disagreement, administration aides contended that there weren't any bureaucratic battles that led to Adm. Inman's resignation. They noted that he had been tempted to take a job in business last year and had to be persuaded to take the CIA post in the first place.

At that time, Adm. Inman complained that he could make far more money by accepting lucrative private-sector jobs than he could by remaining in government service. To persuade him to take the CIA job, President Reagan agreed to promote him to full admiral from rear admiral, making him the first naval intelligence specialist to reach that rank.

Before taking the CIA job, Adm. Inman had been director of the National Security Agency, a secretive Pentagon organization that monitors radio and satellite communications; earlier, he was director of naval intelligence.

After taking the CIA post, Adm. Inman confided to associates that he found it difficult to serve as No. 2 man after directing the NSA. Some intelligence officials speculated earlier that Adm. Inman might look for another job if it seemed that Mr. Casey wasn't stepping aside soon.

Adm. Inman has been handling much of the day-to-day operations of the CIA, intelligence officials said. Mr. Casey has focused more on coordinating the activities of the CIA and other U.S. intelligence organizations and has devoted a great deal of time to his duties as a member of the Cabinet. Past CIA directors haven't been Cabinet members.

Adm. Inman has been stressing that the

CIA needs to beef up its analytical staff and focus more on international economic issues rather than merely political and military issues. For instance, agency analysts recently began compiling forecasts of global economic problems in the next decade or so.

The administration is likely to look for a military officer to take Adm. Inman's place. The No. 2 post at the CIA customarily is filled by a military official if a civilian has the top post.